

AMENDED IN ASSEMBLY MAY 3, 2006

AMENDED IN ASSEMBLY APRIL 19, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

## ASSEMBLY BILL

**No. 2321**

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**Introduced by Assembly Member Canciamilla**  
**(Coauthors: Assembly Members *Koretz Cohn, Koretz, and Lieu*)**

February 22, 2006

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An act to add Article 7.3 (commencing with Section 12078) to Chapter 2 of Part 2 of Division 3 of Title 2 of the Government Code, relating to energy.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2321, as amended, Canciamilla. Energy: Governor's Green Action Team.

The California Energy Security and Reliability Act of 2000 established, until January 1, 2004, the Governor's Clean Energy GREEN TEAM.

Executive Order S-20-04 (Green Building Order) ordered certain state entities, and requested certain other state entities, to undertake measures to reduce state building electricity usage consistent with a Green Building Action Plan, and encouraged commercial building owners, cities, counties, and schools to undertake measures to reduce electricity usage. The Green Building Action Plan established an interagency team known as the "Green Action Team" to oversee and direct progress toward the goals of the Green Building Order.

This bill would establish the Governor's Green Action Team, consisting of at least ~~16~~ 18 members, as specified, with the primary mission of overseeing and directing progress toward reducing

electricity purchases for state-owned buildings by 20% by 2015 and to achieve comparable reductions in electricity purchases for other entities of state government, for local government, for schools, and for commercial buildings. The Governor's Green Action Team would be required to develop and implement a 10-year action plan to accomplish certain actions and to coordinate programs in certain areas. The Governor's Green Action Team would be required to annually assess the progress being made each year toward the goals of reducing electricity purchases for state-owned buildings by 20% by 2015 and to achieve comparable reductions in electricity purchases for other entities of state government, for local government, for schools, and for commercial buildings and to make certain recommendations to the Governor and Legislature.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all the
- 2 following:
- 3 (a) (1) The Energy Action Plan II, adopted by the Public
- 4 Utilities Commission (PUC) and the State Energy Resources
- 5 Conservation and Development Commission (Energy
- 6 Commission), includes a "loading order" that describes the
- 7 priority sequence for actions to address the state's increasing
- 8 electricity needs.
- 9 (2) The loading order identifies energy efficiency and demand
- 10 response measures as the state's preferred means of meeting
- 11 growing electricity needs.
- 12 (3) After cost-effective energy efficiency and demand
- 13 response measures, the state will rely on renewable resources for
- 14 the generation of electricity and distributed electricity generation,
- 15 including combined heat and power applications.
- 16 (4) To the extent efficiency measures, demand response
- 17 measures, renewable resources generation, and distributed
- 18 generation are unable to satisfy the state's increasing electricity
- 19 and generational capacity needs, the state will support clean and
- 20 efficient fossil fuel-fired generation.
- 21 (5) The loading order places conservation and energy
- 22 efficiency measures first in the loading order, because these

1 measures are the least expensive and most environmentally  
2 protective means to meet growing electricity demand.

3 (b) Commercial buildings use 36 percent of the state's  
4 electricity and account for a large portion of the state's emission  
5 of greenhouse gases.

6 (c) Investments in energy efficiency measures provide high  
7 returns on those investments, and boost the state's economy,  
8 creating jobs, local spending, and tax revenue. Investments in  
9 energy efficiency measures, by reducing energy and resource  
10 consumption, ultimately create a healthier and safer environment.  
11 Recent studies have concluded that the key barriers to doing  
12 more energy efficiency projects are the resources and time  
13 needed to implement often complex energy management systems  
14 and programs. Secondary barriers include lack of knowledge  
15 about energy issues and technologies, and a lack of  
16 understanding about the various programs. While resource and  
17 time constraints are obvious considerations in any discussion or  
18 effort pertaining to energy efficiency, the lack of knowledge and  
19 understanding of programs and technologies are often  
20 inadequately considered. Moreover, while time is an obvious  
21 barrier, it is often factored only for short-term projects, leaving  
22 gaps in plans aiming to achieve long-term goals. These  
23 drawbacks hinder the effectiveness of efficiency projects and can  
24 even prevent them from being undertaken.

25 (d) (1) In Executive Order S-20-04, the Governor established  
26 the Green Building Initiative.

27 (2) Executive Order S-20-04 included an order "[t]hat the state  
28 commit to aggressive action to reduce state building electricity  
29 usage by retrofitting, building and operating the most energy and  
30 resource efficient buildings by taking all cost-effective measures  
31 described in the Green Building Action Plan for facilities owned,  
32 funded or leased by the state and to encourage cities, counties  
33 and schools to do the same."

34 (3) Executive Order S-20-04 included the further order "[t]hat  
35 state agencies, departments, and other entities under the direct  
36 executive authority of the Governor cooperate in taking measures  
37 to reduce grid-based energy purchases for state-owned buildings  
38 by 20% by 2015, through cost-effective efficiency measures and  
39 distributed generation technologies ..."

1 (e) (1) The Governor's Executive Order S-20-04 urged the  
2 PUC to apply its energy efficiency authority to support a  
3 campaign to inform building owners and operators about the  
4 compelling economic benefits of energy efficiency measures and  
5 to improve commercial building efficiency programs to help  
6 achieve the 20 percent goal.

7 (2) In response to the Green Building Initiative, the PUC  
8 issued a decision setting annual and cumulative goals for energy  
9 savings through the year 2013 for the state's four largest investor  
10 owned electrical and gas corporations.

11 (3) This was followed by a subsequent decision in which the  
12 PUC approved over \$2 billion in ratepayer funding to support  
13 energy efficiency measures for the 2006 to 2008, inclusive,  
14 calendar years, an increase of over 60 percent on an annualized  
15 basis relative to the 2004–2005 program cycle.

16 (4) Rather than establishing a separate statewide program  
17 focused exclusively on commercial and state buildings, the four  
18 largest investor-owned utilities are to integrate the Green  
19 Building Initiative into their existing energy efficiency plans in a  
20 manner that attempts to be responsive to differing customer  
21 needs across the various market sectors.

22 (f) (1) The Governor's Executive Order S-20-04 ordered the  
23 Energy Commission to propose a benchmarking methodology  
24 and building commissioning guidelines to increase energy  
25 efficiency in government and private buildings and to undertake  
26 all actions within its authority to increase efficiency by 20  
27 percent by 2015, to collaborate with the building construction  
28 industry state licensing boards to ensure building and contractor  
29 compliance.

30 (2) In response, the Energy Commission issued a report in  
31 September 2005 titled "Benchmarking System for California  
32 Commercial Buildings: Plan, Timetable, and Recommendations."

33 (3) Potentially facilitating this effort, the American Institute of  
34 Architects (AIA) Board of Directors recently approved energy  
35 efficiency goals calling for a 50 percent reduction in the fossil  
36 fuels needed to construct and operate buildings by 2010, and a 70  
37 percent reduction by 2015. While it is debatable whether these  
38 dramatic AIA reduction goals are attainable, the innovative  
39 thinking behind them is critical to efficiency efforts, especially  
40 when coupled with the efforts of the Real Estate Industry

1 Leadership Council and others, including universities and  
2 nonprofit groups.

3 (g) (1) The Governor's Executive Order S-20-04 requested  
4 the California Public Employees Retirement System and State  
5 Teachers Retirement System to target resource efficient buildings  
6 for real estate investments and commit clean technology funds to  
7 advance sustainable and efficiency technologies.

8 (2) The Governor's Executive Order S-20-04 requested other  
9 entities of state government not under the Governor's direct  
10 executive authority, including the University of California,  
11 California State University, California Community Colleges,  
12 constitutional officers, legislative and judicial branches, and the  
13 PUC to actively participate in efforts to increase efficiency by 20  
14 percent.

15 (h) The Governor's Executive Order S-20-04 was  
16 accompanied by the State of California Green Building Action  
17 Plan, which contained specific action items to be undertaken to  
18 implement the goals of the executive order and appointed a  
19 Green Action Team, comprised of cabinet secretaries and chaired  
20 by the Secretary of the State and Consumer Services Agency that  
21 is responsible for implementation of the Green Building  
22 Initiative. The Green Action Team has established three  
23 committees, including the Energy Efficiency Committee, to focus  
24 on energy efficiency in nonstate commercial buildings.

25 (i) The Energy Efficiency Committee, which includes  
26 representatives of investor-owned utilities, publicly owned  
27 utilities, business, the real estate industry, and state government,  
28 has identified four priorities, including:

29 (1) An overall plan and set of strategies to accomplish goals of  
30 Executive Order S-20-04 among commercial buildings.

31 (2) Tools, mechanisms, and implementation plans to carry out  
32 widespread benchmarking of the energy use of commercial  
33 buildings.

34 (3) Increasing the use of building retro-commissioning that  
35 improves the operational efficiency of existing buildings systems  
36 separate from making hardware retrofit investments.

37 (4) Crafting an overall campaign to engage building owners in  
38 understanding the value of energy efficiency and committing  
39 their organizations to achieve these efficiencies.

(j) It is the intent of the Legislature to enact legislation to accomplish the goals of the Green Building Initiative and implement the California Green Building Action Plan.

SEC. 2. Article 7.3 (commencing with Section 12078) is added to Chapter 2 of Part 2 of Division 3 of Title 2 of the Government Code, to read:

Article 7.3. Governor's Green Action Team

12078. (a) There is hereby established the Governor's Green Action Team, which shall consist of two chairpersons and not more than \_\_\_\_ members as follows:

(1) The President of the Public Utilities Commission as one chairperson.

(2) The Chair of the State Energy Resources Conservation and Development Commission as one chairperson.

(3) The Director of Finance.

(4) The Secretary of Business, Transportation and Housing.

(5) The Secretary for Environmental Protection.

(6) The Secretary of the Resources Agency.

(7) The Secretary for Education.

(8) The Secretary of State and Consumer Services.

(9) Representatives of the commercial real estate industry.

(10) Representatives of the commercial building design and construction industry.

(11) Representatives of electrical corporations, as defined in Section 218 of the Public Utilities Code.

(12) Representatives of gas corporations, as defined in Section 222 of the Public Utilities Code.

(13) Representatives of local publicly owned electric utilities, as defined in Section 9604 of the Public Utilities Code.

(14) Representatives of professional building energy efficiency service providers.

(15) Representatives of environmental organizations.

(16) Representatives of local and regional government.

(17) *The Chair of the Assembly Committee on Utilities and Commerce, or its successor committee, and the Chair of the Senate Committee on Energy, Utilities and Communications, or its successor committee.*

(b) The primary mission of the Governor's Green Action Team shall be to oversee and guide progress toward reducing electricity purchases for state-owned buildings by 20 percent by 2015 and to achieve comparable reductions in electricity purchases for other entities of state government, for local government, for schools, and for commercial buildings, by doing all of the following:

(1) Develop and implement a 10 year action plan, with a sustained and strategic commitment to accomplish both of the following:

(A) Identify and outline strategies to overcome key barriers to attainment of long-term energy efficiencies, including lack of knowledge, lack of motivation, and access to capital.

(B) Identify and take advantage of appropriate commercial building transaction events, including sale, refinancing, employment of new management, renovations, leases, and appraisals of commercial buildings, that lend themselves to assessments of the energy efficiency of existing buildings.

(2) Coordinate programs in all of the following areas:

(A) Energy efficiency and renewable energy resources programs of electrical corporations, gas corporations, and local publicly owned electric utilities.

(B) Building, appliance, and equipment standards and public interest research activities of the State Energy Resources Conservation and Development Commission.

(C) Market-based strategies involving commercial real estate, building system suppliers, and other professional stakeholders.

(D) Educational and technical training directed at increasing building operator and technician knowledge.

(E) Financing mechanisms that better enable investments in energy efficiency.

(3) This article does not supersede, nor shall its implementation impair, the administration and oversight of energy efficiency, demand reduction, and conservation programs of the Public Utilities Commission or the State Energy Resources Conservation and Development Commission.

(c) The Governor's Green Action Team shall annually assess the progress being made each year toward the goals of reducing electricity purchases for state-owned buildings by 20 percent by 2015 and to achieve comparable reductions in electricity

1 purchases for other entities of state government, for local  
2 government, for schools, and for commercial buildings.  
3 (d) The Governor's Green Action Team shall annually  
4 recommend to the Governor and to the Legislature any additional  
5 legislation, policies, new programs, modifications to existing  
6 programs, or other action necessary to reach the goals of  
7 reducing electricity purchases for state-owned buildings by 20  
8 percent by 2015 and to achieve comparable reductions in  
9 electricity purchases for other entities of state government, for  
10 local government, for schools, and for commercial buildings.

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